

US BANCORP \DE\  
Form 424B5  
May 12, 2005

**Table of Contents**

**Filed Pursuant to Rule 424B5**  
**File No. 333-124535**

PROSPECTUS SUPPLEMENT  
 (To Prospectus dated May 12, 2005)

\$5,000,000,000  
 Medium-Term Notes, Series P (Senior)  
 Medium-Term Notes, Series Q (Subordinated)  
 Due Nine Months or More From Date of Issue

U.S. Bancorp may at any time offer senior medium-term notes, Series P, and subordinated medium-term notes, Series Q. The specific terms of each note offered will be included in a pricing supplement. The notes offered will specify whether they are senior or subordinated notes and, unless the applicable pricing supplement specifies otherwise, they will have the following general terms:

The notes will mature nine (9) months or more from the date of issue.

The notes will bear interest at either a fixed or floating rate or will be zero coupon notes. Floating rate interest will be based on one or more of the following base rates, adjusted by a spread or a spread multiplier, or both:

commercial paper rate	prime rate
federal funds rate	CD rate
LIBOR	treasury rate
EURIBOR	CMT rate
any other rate specified in the applicable pricing supplement	

The notes will be denominated in U.S. dollars and have minimum denominations of \$1,000, or will be in any foreign currency we specify.

We may redeem the notes if specified in the applicable pricing supplement.

Zero coupon notes will not pay interest.

Each note will be represented either by a global note held by or on behalf of The Depository Trust Company, or will be represented by a certificate issued in definitive form.

The notes may be issued at a discount from the principal amount payable at maturity and will constitute original issue discount notes.

The notes are not deposits or other obligations of a bank and are not insured by the Savings Association Insurance Fund or the Bank Insurance Fund of the Federal Deposit Insurance Corporation or any other governmental agency. The notes are not secured. **Potential purchasers of the notes should consider the information set forth in the Risk Factors section beginning on page S-4 of this prospectus supplement and under the caption Foreign Currency Risks beginning at page 26 of the attached prospectus.**

*Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the attached prospectus is truthful or complete. Any representation to the contrary is a criminal offense.*

	Price to Public	Agents Commissions or Discounts(1)	Proceeds to U.S. Bancorp
Per Note	100%	.125%-.750%	99.875%-99.250%
Total(2)	\$5,000,000,000	\$6,250,000-\$37,500,000	\$4,993,750,000-\$4,962,500,000

(1)

Commissions with respect to notes with stated maturity more than 30 years from the date of issue will be negotiated at time of sale.

- (2) Or the equivalent in other currencies or currency units.

Offers to purchase the notes are being solicited from time to time by the agents listed below. We may sell notes to the agents as principal for resale at varying or fixed offering prices or through the agents using their reasonable efforts on our behalf. There is no established trading market for the notes and there is no assurance that the notes will be sold and that a secondary market for the notes will develop.

<b>Lehman Brothers</b>		
<b>ABN AMRO Incorporated</b>	<b>Banc of America Securities LLC</b>	<b>Barclays Capital</b>
<b>Bear, Stearns &amp; Co. Inc.</b>	<b>BNP PARIBAS</b>	<b>BNY Capital Markets, Inc.</b>
<b>Citigroup Global Markets Inc.</b>	<b>Credit Suisse First Boston</b>	<b>Deutsche Bank Securities Inc.</b>
<b>Goldman, Sachs &amp; Co.</b>	<b>HSBC</b>	<b>JPMorgan</b>
<b>Merrill Lynch &amp; Co.</b>	<b>Morgan Stanley</b>	<b>RBC Capital Markets</b>
<b>RBS Greenwich Capital</b>	<b>UBS Investment Bank</b>	<b>Wachovia Securities</b>

May 12, 2005.

## TABLE OF CONTENTS

	Page
Prospectus Supplement	
<a href="#"><u>About This Prospectus Supplement</u></a>	S-3
<a href="#"><u>Risk Factors</u></a>	S-4
<a href="#"><u>Description of Notes</u></a>	S-5
<a href="#"><u>Certain United States Federal Income Tax Consequences</u></a>	S-20
<a href="#"><u>Supplemental Plan of Distribution</u></a>	S-25
<a href="#"><u>Legal Matters</u></a>	S-26
Prospectus	
<a href="#"><u>About this Prospectus</u></a>	3
<a href="#"><u>Where You Can Find More Information</u></a>	3
<a href="#"><u>About U.S. Bancorp</u></a>	4
<a href="#"><u>Use of Proceeds</u></a>	5
<a href="#"><u>Ratio of Earnings to Fixed Charges</u></a>	5
<a href="#"><u>Description of Debt Securities</u></a>	5
<a href="#"><u>Description of Preferred Stock</u></a>	12
<a href="#"><u>Description of Depositary Shares</u></a>	16
<a href="#"><u>Description of Common Stock</u></a>	19
<a href="#"><u>Description of Debt Warrants</u></a>	22
<a href="#"><u>Description of Equity Warrants</u></a>	23
<a href="#"><u>Description of Units</u></a>	24
<a href="#"><u>Foreign Currency Risks</u></a>	26
<a href="#"><u>Book-entry Issuance</u></a>	27
<a href="#"><u>Plan of Distribution</u></a>	28
<a href="#"><u>Validity of Securities</u></a>	29
<a href="#"><u>Experts</u></a>	29
<a href="#"><u>Glossary</u></a>	30

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the attached prospectus and any pricing supplement. We have not authorized anyone else to provide you with different or additional information. We are offering to sell these securities and seeking offers to buy these securities only in jurisdictions where offers and sales are permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the attached prospectus is accurate as of any date other than their respective dates.

In this prospectus supplement, the words USB, we, us and our refer to U.S. Bancorp and its subsidiaries. If we have not defined certain terms in this prospectus supplement, we have defined them in the glossary section of the attached prospectus or in the indentures described below.

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement sets forth certain terms of the notes that we may offer, and it supplements the section entitled "Description of Debt Securities" contained in the attached prospectus. This prospectus supplement supersedes the attached prospectus to the extent that it contains information which differs from the information in the attached prospectus.

Each time we issue notes, we will attach a pricing supplement to this prospectus supplement. The pricing supplement will contain the specific description of the notes that we are offering and the terms of the offering. The pricing supplement will supersede this prospectus supplement or the attached prospectus to the extent that it contains information which differs from the information contained in this prospectus supplement or the attached prospectus.

In making your investment decision, it is important for you to read and consider all information contained in this prospectus supplement and in the attached prospectus and the applicable pricing supplement. You should also read and consider the information contained in the documents identified under the heading "Where You Can Find More Information" on page 3 of the attached prospectus.

S-3

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**Table of Contents**

**RISK FACTORS**

Your investment in the notes will involve certain risks. This prospectus supplement and the attached prospectus do not describe all of those risks. In addition to the information relating to our business and certain associated risks, which is incorporated by reference in the attached prospectus, you should, in consultation with your own financial and legal advisors, carefully consider the following discussion of risks before deciding whether an investment in the notes is suitable for you. The notes will not be an appropriate investment for you if you are not knowledgeable about significant features of the notes or financial matters in general. You should not purchase the notes unless you understand, and know that you can bear, these investment risks.

**You may not be able to sell your notes if an active trading market for the notes does not develop.**

There is currently no secondary market for the notes. The agents currently intend, but are not obligated, to make a market in the notes. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the notes. If the secondary market for the notes is limited, there may be few buyers should you choose to sell your notes prior to maturity and this may reduce the price you receive.

**We may choose to redeem the notes when prevailing interest rates are relatively low.**

If your notes are redeemable at our option, we may choose to redeem your notes from time to time, especially when prevailing interest rates are lower than the rate borne by the notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes being redeemed. Our redemption right also may adversely impact your ability to sell your notes as the optional redemption date or period approaches.

**The trading value of the notes may be less than the principal amount of the notes.**

The trading market for, and trading value of, the notes may be affected by a number of factors. These factors include:

the time remaining to maturity of the notes;

the aggregate amount outstanding of the relevant notes;

any redemption features of the notes; and

the level, direction, and volatility of market interest rates generally.

Often, the only way to liquidate your investment in the notes prior to maturity will be to sell the notes. At that time, there may be a very illiquid market for the notes or no market at all.

**Changes in our credit ratings may affect the value of the notes.**

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the notes. However, because your return on the notes depends upon factors in addition to our ability to pay our obligations, an improvement in our credit ratings will not reduce the other investment risks related to the notes.

**The notes are structurally subordinated to debt of our subsidiaries.**

The notes are our obligations but our assets consist primarily of equity in our subsidiaries and, as a result, our ability to make payments on the notes depends on our receipt of dividends, loan payments and other funds from our subsidiaries. The payment of dividends by a bank subsidiary is subject to federal law restrictions as well as to the laws of the subsidiary's state of incorporation. Our bank subsidiaries hold a significant portion of their mortgage loan and investment portfolios indirectly through their ownership interests in direct and indirect subsidiaries.

**Table of Contents**

The notes are not obligations of, nor guaranteed by, our subsidiaries, and our subsidiaries have no obligation to pay any amounts due on the notes. All amounts due on the notes will be structurally subordinated to all obligations and liabilities of our subsidiaries. The indentures relating to the notes do not limit our ability or the ability of our subsidiaries to issue or incur additional debt or preferred stock.

**Subordinated notes have limited acceleration rights.**

The holders of senior notes may declare those notes in default and accelerate the due date of those notes if an event of default shall occur and be continuing. Acceleration of the senior notes may adversely impact our ability to pay obligations on subordinated notes.

Holders of subordinated notes do not have the right to declare those notes in default and may accelerate payment of indebtedness only upon our bankruptcy.

**The amount of interest we may pay on the notes may be limited by state law.**

New York law governs the notes. New York usury laws limit the amount of interest that can be charged and paid on loans, including debt securities like the notes. Under present New York law, the maximum permissible rate of interest is 25% per year on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested. Floating rate notes may not have a stated rate of interest and may exceed this limit. While we believe that a state or federal court sitting outside of New York may give effect to New York law, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We do not intend to claim the benefits of any laws concerning usurious rates of interest.

**DESCRIPTION OF NOTES**

The following description of the particular terms of the notes offered under this prospectus supplement adds to, and to the extent it is inconsistent with the prospectus, replaces the description of the general terms and provisions of the debt securities contained in the attached prospectus. The particular terms of the notes sold under any pricing supplement will be described in that pricing supplement. The terms and conditions stated in this section will apply to each note unless the applicable pricing supplement indicates otherwise. References to interest payments and interest-related information do not apply to the zero coupon notes defined below. You should also carefully read the section entitled *Description of Debt Securities* contained in the attached prospectus.

**General**

At our option, we may issue the notes as medium-term notes, Series P, which will represent the senior notes, or as medium-term notes, Series Q, which will represent the subordinated notes. The senior notes and the subordinated notes are referred to as senior debt securities and subordinated debt securities, respectively, in the attached prospectus. We will issue the senior notes under a senior indenture, dated October 1, 1991, as amended or supplemented from time to time, between us and Citibank, N.A., as senior trustee. We will issue the subordinated notes under a subordinated indenture dated October 1, 1991, as amended by a first supplemental indenture dated April 1, 1993, between us and Citibank, N.A., as subordinated trustee. In this prospectus supplement, the senior indenture and the subordinated indenture are referred to collectively as the indentures, and the senior trustee and subordinated trustee are referred to collectively as the trustees.

The notes issued under a given indenture will constitute one series under that indenture. The notes will mature on a date that is nine (9) months or more from the date of issue, as stated in the applicable pricing supplement. The Series P notes will represent senior, unsubordinated debt of USB and will rank equally with all other unsecured and unsubordinated debt of USB. The Series Q notes will represent subordinated debt of USB and will rank junior to, and be subordinated to, all senior indebtedness of USB. See *Description of Debt Securities Subordination of Subordinated Debt Securities* in the attached prospectus for a definition of senior indebtedness. The notes offered by this prospectus supplement will be limited to an aggregate

**Table of Contents**

principal amount of \$5,000,000,000, or the equivalent of that amount in one or more foreign currencies, subject to reduction as a result of the sale by us of other securities referred to in the attached prospectus.

Unless the applicable pricing supplement states otherwise:

the notes will mature on a business day that is nine (9) months or more from the date of issue, but a note payable at the commercial paper rate will mature after at least nine months and one day from its date of issue;

we will pay interest on fixed rate notes semi-annually;

the Series Q notes will mature after at least five years from their date of issue;

if the maturity date of any note or the interest payment date of any note (other than a floating rate note) specified in the applicable pricing supplement for such note is a day that is not a business day, interest, principal and premium, if any, will be paid on the next day that is a business day with the same force and effect as if made on the maturity date or the interest payment date, as the case may be, and no interest on that payment will accrue for the period from and after that maturity date or the interest payment date, as the case may be;

we will issue the notes at 100% of their principal amount;

holders will not be able to elect to have their notes repaid before the maturity date;

we will issue the notes, other than the foreign currency notes, in U.S. dollars;

we will issue the notes, other than the foreign currency notes, in fully registered form and in authorized denominations of \$1,000 or any integral multiple of \$1,000;

the principal, premium, and interest, if any, payable at maturity or at redemption on each note will be paid in immediately available funds when the note is presented at the corporate trust office of the paying agent; and

we will issue the notes as global securities registered in the name of a nominee of The Depository Trust Company, as depository. We will refer to these notes as global notes in this prospectus supplement. We can also issue the notes in definitive registered form, without coupons, otherwise known as a certificated note, as described in the applicable pricing supplement.

The notes can be presented for payment of principal and interest, the transfer of the notes can be registered and the notes can be exchanged at the offices that we maintain for this purpose as described under Interest and Principal Payments. However, global notes can be exchanged only in the manner and to the extent described under the heading Book-Entry Notes below.

The term business day means, and unless the applicable pricing supplement specifies otherwise, any day that is not a Saturday or Sunday and that is not a day that banking institutions in New York City are generally authorized or obligated by law or executive order to close. For LIBOR notes issued in U.S. dollars, a business day, with respect to any payment, is any day that is not a Saturday or Sunday and that is not a day that banking institutions in New York City are generally authorized or obligated by law or executive order to close, and is also a London business day, and with respect to an interest determination date, is a London business day. For notes denominated in a specified currency other than euro, the term business day means any day that is not a Saturday or Sunday and that is not a day that banking institutions in New York City are generally authorized or obligated by law or executive order to close, and is also a day on which commercial banks and foreign exchange markets settle payments in the principal financial center of the country of the relevant specified currency (if other than The City of New York). For notes denominated in euro, the term business day means any day that is not a Saturday or Sunday, and is also a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer System is operating, which we will refer to

as a TARGET business day.

Unless otherwise specified in the applicable pricing supplement, the principal financial center of any country for the purpose of the foregoing definition is as provided in the 2000 ISDA Definitions, as amended

S-6

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**Table of Contents**

and updated from time to time, published by the International Swaps and Derivatives Association, Inc. (which we will refer to as the ISDA definitions).

London business day means any day on which dealings in U.S. dollars are transacted in the London interbank market.

The applicable pricing supplement relating to each note will describe the following:

whether the note is a senior note or a subordinated note;

whether the note is being issued at a price other than 100% of its principal amount;

the principal amount of the note;

the date on which the note will be issued;

the date on which the note will mature;

whether the note is a fixed rate note, a floating rate note, or a zero coupon note;

any additional terms applicable to any foreign currency note with respect to the payment of principal and any premium or interest for that note;

the annual rate at which the note will bear interest and the interest payment date and regular record date, defined under the heading Interest Rates below, if different from those described below;

whether the note is an original issue discount note, and if so, any additional provisions relating to this feature of the note;

whether the note may be redeemed at our option, and any provisions relating to redemption of the note;

whether the note will be represented by a certificated note and any provisions relating to this feature of the note;

the authorized denominations of foreign currency notes; and

any other terms of the note consistent with the provisions of the applicable indenture.

Unless the applicable pricing supplement specifies otherwise, neither indenture contains provisions specifically designed to protect holders in the event of a highly leveraged transaction involving us. Payment of the Series Q notes may be accelerated only in the event of our bankruptcy or reorganization. Unless the applicable pricing supplement indicates otherwise, the subordinated note indenture does not provide for any right of acceleration of the payment of principal of the Series Q notes if there is a default in the payment of principal or interest or in the performance of any covenant or agreement in the Series Q notes or in the subordinated note indenture.

**Interest and Principal Payments**

Unless the applicable pricing supplement specifies otherwise, we will make payments of principal, interest owed, and premium, if any, with respect to any note, in U.S. dollars. If the specified currency for a note is other than U.S. dollars, we will (unless otherwise specified in the applicable pricing supplement) arrange to convert all payments in respect of that note into U.S. dollars in the manner described in the following paragraph. The holder of a note having a specified currency other than U.S. dollars may (if the applicable pricing supplement and that note so indicate) elect to receive all payments in respect of that note in the specified currency by delivery of a written notice to the paying agent for that note not later than fifteen calendar days prior to the applicable payment date. That election will remain in effect until revoked by written notice to the paying agent received not later than fifteen calendar days

prior to the applicable payment date.

In the case of a note having a specified currency other than U.S. dollars, the amount of any U.S. dollar payment in respect of that note will be based on the bid quoted by the exchange rate agent as of 11:00 a.m.,

S-7

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## **Table of Contents**

London time, on the second day preceding the payment date on which banks are open for business in London and New York City, for the purchase of U.S. dollars with the specified currency for settlement on the payment date of the aggregate amount of the specified currency payable to all holders of notes denominated in other than in U.S. dollars and who are scheduled to receive U.S. dollar payments. If this bid quotation is not available, the exchange rate agent will obtain a bid quotation from a leading foreign exchange bank in London or New York City selected by the exchange rate agent for this purchase. If the bids are not available, payment of the aggregate amount due to all holders of notes on the payment date will be made in the specified currency. All currency exchange costs will be borne by the holder of the note by deductions from these payments.

Except as provided under the heading *Book Entry Notes* below, we will pay interest to the person in whose name a note, or any predecessor note, is registered at the close of business on the regular record date next preceding each interest payment date. Interest payable at maturity or upon redemption will be payable to the person to whom the principal will be payable.

The agent for payment, transfer and exchange of the notes, who will be referred to in this prospectus supplement as the paying agent, is U.S. Bank Trust National Association, one of our affiliates, acting through its corporate trust office in New York City, New York. Unless the applicable pricing supplement specifies otherwise, we will pay the principal, interest, and premium, if any, at maturity or redemption in immediately available funds to The Depository Trust Company, as depository, or its nominee as the registered owner of the global notes representing the book-entry notes. But we may at our option, pay interest on any certificated note, other than interest at maturity or upon redemption, by mailing a check to the address of the person or entity entitled to the payment shown on our security register at the close of business on the regular record date related to the interest payment date.

Unless the applicable pricing supplement specifies otherwise, holders of U.S. \$10,000,000 or more in aggregate principal amount of certificated notes will receive payments of interest, other than interest at maturity or upon redemption, by wire transfer of immediately available funds, if they have given appropriate wire transfer instructions to the paying agent in writing not later than the regular record date.

Except as provided under the heading *Book Entry Notes* below, if the original issue date of a note is between a regular record date and an interest payment date, the initial interest payment will be made on the interest payment date following the next succeeding regular record date. We will make the interest payment to the registered holder on that next succeeding regular record date.

We can change interest rates and base rates, as defined below, from time to time but this change will not affect any note issued or note that we agreed to issue. Unless the applicable pricing supplement specifies otherwise, the interest payment dates and the regular record dates for fixed rate notes will be as described below under the heading *Fixed Rate Notes* and the interest payment dates and the regular record dates for floating rate notes will be as described below under the heading *Floating Rate Notes*.

### **Interest Rates**

#### ***General***

The interest rate on the notes will be determined by either:  
in the case of fixed rate notes, a fixed rate; or

in the case of floating rate notes, a floating rate determined by one or more base rates, which may be adjusted by any spread and/or spread multiplier.

A floating rate note may also have either or both of the following:

a maximum interest rate limitation, or ceiling, on the rate at which interest will accrue during any interest period; and

a minimum interest rate limitation, or floor, on the rate at which interest will accrue during any interest period.

## **Table of Contents**

Each note that bears interest will bear interest from and including its date of issue or from and including the most recent interest payment date to which interest has been paid or duly provided:

at the fixed rate per annum applicable to the related interest period; or

at the rate per annum determined by reference to the base rate applicable to the related interest period or interest periods, in each case as specified in the note and in the applicable pricing supplement, until the principal is paid or made available for payment. Interest will be payable on each interest payment date and at maturity or upon redemption.

The interest rate on a note for any interest period will in no event be higher than the maximum rate permitted by New York law as this law may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25% per year on a simple interest basis. This limit may not apply to notes in which \$2,500,000 or more has been invested.

The applicable pricing supplement will specify the following with respect to each note that bears interest:  
the issue price and interest payment dates;

for any fixed rate note, the interest rate;

for any floating rate note:

the initial interest rate, as defined below;

the method, which may vary from interest period to interest period, of calculating the interest rate applicable to each interest period including, if applicable, the fixed rate per annum applicable to one or more interest periods;

the index maturity, which means the period to maturity of any instrument on which the base rate for any interest period is predicated;

any spread or spread multiplier, as defined below;

the interest determination dates, as defined below;

the interest reset dates, as defined below;

any minimum or maximum interest rate limitations;

whether the note is an original issue discount note; and

any other terms related to interest on the notes.

### **Fixed Rate Notes**

#### ***How Interest Accrues***

Each fixed rate note will bear interest from the date of issue at the annual rate stated on its face and in the applicable pricing supplement. Unless the applicable pricing supplement specifies otherwise, interest payments for fixed rate notes will be the amount of interest accrued to, but excluding, the relevant interest payment date.

#### ***When Interest Is Paid***

Unless the applicable pricing supplement states otherwise, the interest payment dates for fixed rate notes will be February 1 and August 1 of each year and at maturity or, if applicable, upon redemption. The regular record dates for fixed rate notes will be the day, whether or not a business day, fifteen calendar days preceding each interest payment date.



**Table of Contents**

***How Interest Is Calculated***

Interest on fixed rate notes will be computed and paid on the basis of a 360-day year of twelve 30-day months.

***If a Payment Date Is Not a Business Day***

If any interest payment date on a fixed rate note is not a business day, the interest payment will be made on the next day that is a business day, and no interest will accrue for the period from and after the scheduled interest payment date.

**Floating Rate Notes**

***General***

Each floating rate note will bear interest at a floating rate determined by reference to an interest rate basis or formula, which we refer to as the base rate.

The applicable pricing supplement may designate one or more of the following base rates as applicable to each floating rate note:

the commercial paper rate;

the federal funds rate;

LIBOR;

EURIBOR;

the prime rate;

the CD rate;

the treasury rate;

the CMT rate; or

one or more other base rates specified in the applicable pricing supplement.

The interest rate on each floating rate note for each interest period will be determined by reference to the applicable base rate specified in the applicable pricing supplement for that interest period, plus or minus the applicable spread, if any, and/or multiplied by the applicable spread multiplier, if any.

The spread is the number of basis points, each one-hundredth of a percentage point, specified in the applicable pricing supplement to be added or subtracted from the base rate for that floating rate note. For example, if a note bears interest at LIBOR plus one basis point, or .01%, and the calculation agent determines that LIBOR is 5.00% per annum, the note will bear interest at 5.01% per annum until the next interest reset date. The spread multiplier is the percentage specified in the applicable pricing supplement to be applied to the base rate for a floating rate note. For example, if a note bears interest at 90% of LIBOR, and the calculation agent determines that LIBOR is 5.00% per annum, the note will bear interest at 4.50% per annum until the next interest reset date.

***When Interest on Floating Rate Notes Is Paid***

Unless the applicable pricing supplement specifies otherwise and except as provided below, we will pay interest on floating rate notes on the following interest payment dates:

in the case of floating rate notes with a daily, weekly or monthly interest reset date, on the third Wednesday of each month of each year;

in the case of floating rate notes with a quarterly interest reset date, on the third Wednesday of March, June, September and December of each year;

**Table of Contents**

in the case of floating rate notes with a semi-annual interest reset date, on the third Wednesday of the two months of each year specified in the applicable pricing supplement; and

in the case of floating rate notes with an annual interest reset date, on the third Wednesday of the month of each year specified in the applicable pricing supplement.

We will also pay interest, in the case of all floating rate notes, at maturity or upon redemption.

Unless the applicable pricing supplement specifies otherwise, the regular record dates for the floating rate notes will be the day, whether or not a business day, fifteen calendar days preceding each interest payment date.

***If a Payment Date Is Not a Business Day***

If any interest payment date for a floating rate note is a day that is not a business day, the interest payment date for the floating rate note will be postponed to the next day that is a business day, provided that, for LIBOR and EURIBOR notes, if that business day is in the next calendar month, the interest payment date will be the immediately preceding business day.

***How Floating Interest Rates Are Reset***

The rate of interest on each floating rate note will be reset daily, weekly, monthly, quarterly, semi-annually or annually, as specified in the applicable pricing supplement. The date on which the floating rate note is reset is called the interest reset date.

Unless the applicable pricing supplement specifies otherwise, the interest reset date will be as follows:

in the case of floating rate notes which are reset daily, each business day;

in the case of floating rate notes, other than treasury rate notes, which are reset weekly, the Wednesday of each week;

in the case of floating rate notes that are treasury rate notes which are reset weekly, the Tuesday of each week, except if the auction date falls on a Tuesday, then the next business day, as provided below;

in the case of floating rate notes which are reset monthly, the third Wednesday of each month;

in the case of floating rate notes which are reset quarterly, the third Wednesday of March, June, September and December of each year;

in the case of floating rate notes which are reset semi-annually, the third Wednesday of the two months of each year specified in the applicable pricing supplement; and

in the case of floating rate notes which are reset annually, the third Wednesday of the month of each year specified in the applicable pricing supplement.

The applicable pricing supplement will indicate the interest rate in effect from the date of issue to the first interest reset date with respect to a floating rate note, which we will refer to as the initial interest rate. If any interest reset date for a floating rate note is a day that is not a business day, the interest reset date will be postponed to the next day that is a business day, provided that, for LIBOR and EURIBOR notes, if the next business day is in the succeeding calendar month, the interest reset date will be the immediately preceding business day.

***Date Interest Rate Is Determined***

Unless the applicable pricing supplement specifies otherwise, the interest rate determined for any interest determination date will become effective on the next succeeding interest reset date. The interest determination date is the date that the calculation agent will refer to when determining the new interest rate at which a floating rate will reset.

**Table of Contents**

Unless the applicable pricing supplement states otherwise, the interest determination date for any interest reset date will be:

for commercial paper rate notes, CD rate notes and CMT rate notes, the second business day before that interest reset date;

for federal funds rate notes and prime rate notes, the business day immediately preceding the related interest reset date;

for LIBOR notes, the second London business day before the interest reset date;

for EURIBOR notes, the second TARGET business day before the interest reset date; and

for treasury rate notes, the business day (other than the interest reset date) on which treasury bills would normally be auctioned in the week in which the interest reset date falls.

Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, but the auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is held on the preceding Friday, that Friday will be the interest determination date for the interest reset date for treasury rate notes occurring in the next week. If an auction falls on a day that is an interest reset date for a treasury rate note, the interest reset date will be the following business day.

The interest determination date for a floating rate note, which interest rate is determined by two or more base rates, will be the latest business day that is at least two business days prior to the interest reset date for the floating rate note on which each such base rate can be determined.

***How Interest on Floating Rate Notes Is Calculated***

Interest on floating rate notes will accrue from and including the most recent interest payment date on which interest is paid or duly provided for, or, if no interest is paid or duly provided for, the date will be from and including the issue date or any other date specified in the pricing supplement on which interest begins to accrue. Interest will accrue to, but excluding, the next interest payment date, or if earlier, the date on which the principal is paid or duly made available for payment. Accrued interest for a floating rate note will be calculated by multiplying the principal amount of the floating rate note by an accrued interest factor. The accrued interest factor will be the sum of the interest factors calculated for each day in the period for which the interest is being paid.

Unless the applicable pricing supplement states otherwise, the interest factor for each day is computed by dividing the annual interest rate, expressed as a decimal, applicable to that day:

by 360, for commercial paper rate notes, federal funds rate notes, EURIBOR notes, LIBOR notes, prime rate notes, and CD rate notes; or

by the actual number of days in the year, in the case of treasury rate notes and CMT rate notes.

Unless the applicable pricing supplement states otherwise, all percentages resulting from any calculation for the floating rate notes will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards. For example, 9.876545% or .09876545 will be rounded to 9.87655% or .0987655, and 9.876544% or .09876544 will be rounded to 9.87654% or .0987654. All calculations of the accrued interest factor for any day on floating rate notes will be rounded, if necessary, to the nearest one hundred-millionth, with five one-billionths rounded upward. For example, .098765455 will be rounded to .09876546 and .098765454 will be rounded to .09876545. All dollar amounts used in or resulting from any of these calculations will be rounded to the nearest cent, with one-half cent being rounded upwards.

The interest rate in effect on each day will be:

if the day is an interest reset date, the interest rate for the interest determination date related to the interest reset date; or



## **Table of Contents**

if the day is not an interest reset date, the interest rate for the interest determination date related to the next preceding interest reset date, subject in either case to any maximum or minimum interest rate referred to in the applicable pricing supplement.

Unless the applicable pricing supplement specifies otherwise, U.S. Bank Trust National Association, one of our affiliates, will be the calculation agent for any issue of floating rate notes. On or before each calculation date, the calculation agent will determine the interest rate as described below and notify the paying agent. The paying agent will determine the accrued interest factor applicable to the floating rate note. The paying agent will, at the request of the holder of a floating rate note, provide the interest rate then in effect and the interest rate that will become effective as a result of a determination made on the most recent interest determination date for the floating rate note. The determinations of interest rates made by the calculation agent are conclusive and binding, and neither the trustee nor the paying agent have the duty to verify them.

Unless the applicable pricing supplement specifies otherwise, the calculation date, if applicable, related to any interest determination date on a floating rate note will be the earlier of:

the tenth calendar day after the interest determination date, or, if that day is not a business day, the following business day; and

the business day before the applicable interest payment date, maturity date or redemption date, as the case may be.

### **Base Rates**

*Commercial Paper Rate.* Commercial paper rate notes will bear interest at the interest rates, calculated with reference to the commercial paper rate and the spread and/or spread multiplier, if any, specified in the commercial paper rate notes and in the applicable pricing supplement. Commercial paper rate notes will also be subject to the minimum and the maximum interest rates, if any.

Unless the applicable pricing supplement specifies otherwise, commercial paper rate means, for any commercial paper interest determination date, the money market yield, calculated as described below, of the rate on that date for commercial paper having the index maturity specified in the applicable pricing supplement as published in Statistical Release H.15(519), Selected Interest Rates or any successor publication of the Board of Governors of the Federal Reserve System, which we will refer to as H.15(519), under the heading Commercial Paper Nonfinancial.

Unless the applicable pricing supplement states otherwise, the following procedures will be followed if the commercial paper rate cannot be determined as described above:

If the rate is not published by 3:00 p.m., New York City time, on the calculation date relating to the commercial paper interest determination date, then the commercial paper rate will be the money market yield of the rate on the commercial paper interest determination date for commercial paper having the index maturity specified in the applicable pricing supplement as set forth in the daily update of H.15(519), available through the worldwide website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication, which we will refer to as the H.15 Daily Update, under the heading Commercial Paper Nonfinancial.

If by 3:00 p.m., New York City time, on the calculation date, the rate is not published in either H.15(519) or the H.15 Daily Update, then the calculation agent shall determine the commercial paper rate to be the money market yield of the arithmetic mean of the offered rates as of 11:00 a.m., New York City time, on the commercial paper interest determination date of three leading dealers of commercial paper in New York City, selected by the calculation agent, after consultation with us, for commercial paper having the index maturity specified in the applicable pricing supplement placed for an industrial issuer whose bond rating is AA or the equivalent, from a nationally recognized statistical rating agency.

**Table of Contents**

If the dealers selected by the calculation agent are not quoting as described in the previous bullet point, the commercial paper rate in effect immediately before the commercial paper interest determination date will not change and will remain the commercial paper rate in effect on the commercial paper interest determination date.

Money market yield is a yield calculated under the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

Where *D* refers to the applicable annual rate for commercial paper quoted on a bank discount basis and expressed as a decimal and *M* refers to the actual number of days in the interest period for which the interest is being calculated.

*Federal Funds Rate.* Federal funds rate notes will bear interest at the interest rates, calculated with reference to the federal funds rate and the spread and/or spread multiplier, if any, specified in the federal funds rate notes and in the applicable pricing supplement. Federal funds rate notes will be subject to the minimum and the maximum interest rate, if any.

Unless the applicable pricing supplement specifies otherwise, federal funds rate means, for any federal funds interest determination date, the rate on that date for federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" as displayed on Moneyline Telerate, Inc., or any successor service, on page 120, or any other page as may replace the applicable page on that service, which is commonly referred to as "Telerate Page 120."

Unless the applicable pricing supplement states otherwise, the following procedures will be followed if the federal funds rate cannot be determined as described above:

If the above rate is not published by 3:00 p.m., New York City time, on the calculation date for the federal funds interest determination date, the federal funds rate will be the rate published in the H.15 Daily Update under the heading "Federal Funds (Effective)."

If neither of the above rates is published by 3:00 p.m., New York City time, on the calculation date for the federal funds interest determination date, the calculation agent will determine the federal funds rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading dealers of federal funds transactions in New York City, selected by the calculation agent, after consultation with us, as of 3:00 p.m., New York City time, on the federal funds interest determination date.

If the dealers selected by the calculation agent are not quoting as described in the previous bullet point, the federal funds rate in effect immediately before the federal funds interest determination date will not change and will remain the federal funds rate in effect on the federal funds interest determination date.

*LIBOR.* LIBOR notes will bear interest at the interest rates, calculated with reference to the London interbank offered rate, commonly referred to as LIBOR, and the spread and/or spread multiplier, if any, specified on the face of the LIBOR notes and in the applicable pricing supplement. LIBOR notes will be subject to the minimum and the maximum interest rate, if any.

Unless otherwise specified in the applicable pricing supplement, the calculation agent will determine LIBOR for each interest determination date relating to a LIBOR note as follows:

For any LIBOR interest determination date, LIBOR will be the rate for deposits in U.S. dollars having the index maturity specified in the applicable pricing supplement, on the second London business day before the LIBOR interest reset date, that is displayed on Moneyline Telerate, Inc., or any other successor service, as of 11:00 a.m., London time, on page 3750, or any other page as may replace the applicable page on that service, which is commonly referred to as "Telerate Page 3750."

**Table of Contents**

If no rate appears, the calculation agent will request that the principal London offices of each of four major banks in the London interbank market, selected by the calculation agent, after consultation with us, at approximately 11:00 a.m., London time on the LIBOR interest determination date, provide the calculation agent with their offered quotation for deposits in U.S. dollars having the index maturity designated in the applicable pricing supplement on the second London business day before the LIBOR interest reset date, and in a principal amount that in the judgment of the calculation agent is representative of a single transaction in the market at that time. If at least two quotations are provided, LIBOR for the LIBOR interest determination date will be the arithmetic mean of these quotations.

If fewer than two quotations are provided, LIBOR will be determined for the applicable LIBOR interest determination date as the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, by three major banks in New York City selected by the calculation agent, after consultation with us, for loans in U.S. dollars to leading European banks, having the index maturity specified in the applicable pricing supplement, on the second London business day before the LIBOR interest reset date, and in a principal amount that, in the judgment of the calculation agent, is representative of a single transaction in the market at that time.

If the banks so selected by the calculation agent are not quoting as described in the previous bullet point, LIBOR in effect immediately before the LIBOR interest determination date will not change and will remain the LIBOR in effect on such LIBOR interest determination date.

*EURIBOR.* EURIBOR notes will bear interest at the interest rates, calculated with reference to EURIBOR and the spread and/or multiplier, if any, specified in the EURIBOR notes and in the applicable pricing supplement. EURIBOR notes will be subject to the minimum and maximum interest rate, if any.

Unless otherwise specified in the applicable pricing supplement, EURIBOR means, for any interest determination date, a base rate equal to the interest rate for deposits in euros designated as EURIBOR and sponsored jointly by the European Banking Federation and ACI the Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing that rate. EURIBOR will be determined in the following manner:

EURIBOR will be the offered rate for deposits in euros having the index maturity specified in the applicable pricing supplement, beginning on the second euro business day after the relevant interest determination date, as that rate appears on Telerate Page 248 as of 11:00 a.m., Brussels time, on the relevant interest determination date.

If the rate described above does not appear on Telerate Page 248, EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on the relevant interest determination date, at which deposits of the following kind are offered to prime banks in the euro-zone interbank market by the principal euro-zone office of each of four major banks in that market selected by the calculation agent, after consultation with us: euro deposits having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount. The calculation agent will request the principal euro-zone office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, EURIBOR for the relevant interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, EURIBOR for the relevant interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 a.m., Brussels time on that interest determination date, by three major banks in the euro-zone selected by the calculation agent, after consultation with us: loans of euros having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount.

If fewer than three banks selected by the calculation agent are quoting as described in the previous bullet point, EURIBOR in effect immediately before the new interest period will not change and will remain the EURIBOR in effect on such EURIBOR new interest period. If the initial base rate has



**Table of Contents**

been in effect for the prior interest period, however, it will remain in effect for the new interest period.

*Prime Rate.* Prime rate notes will bear interest at the interest rates, calculated with reference to the prime rate and the spread and/or spread multiplier, if any, specified in the prime rate notes and in the applicable pricing supplement. Prime rate notes will be subject to the minimum and the maximum interest rate, if any.

Unless the applicable pricing supplement specifies otherwise, prime rate means, for any interest determination date, the rate on that date as published in H.15(519) under the heading Bank Prime Loan.

Unless otherwise specified in the applicable pricing supplement, the following procedures will be followed if the prime rate cannot be determined as described above:

If the rate is not published prior to 9:00 a.m., New York City time, on the calculation date, then the prime rate will be the rate on that prime interest determination date as published in the H.15 Daily Update under the heading Bank Prime Loan.

If the rate is not published prior to 3:00 p.m., New York City time, on the calculation date in either H.15(519) or the H.15 Daily Update, then the calculation agent will determine the prime rate to be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on that interest determination date by at least three major banks in New York City selected by the calculation agent, after consultation with us.

If the banks selected are not quoting as mentioned in the previous bullet, the prime rate will remain the prime rate for the immediately preceding interest reset period, or if there was no interest reset period, the rate of interest payable will be the initial interest rate.

*CD Rate.* CD Rate Notes will bear interest at the interest rates, calculated with reference to the CD rate and the spread and/or spread multiplier, if any, specified in the CD rate notes and in the applicable pricing supplement. CD rate notes will be subject to the minimum and the maximum interest rates, if any.

Unless the applicable pricing supplement specifies otherwise, CD rate means, for any CD interest determination date, the rate on that date for negotiable certificates of deposit having the index maturity stated in the applicable pricing supplement as this rate is published in H.15(519) under the heading CDs (secondary market).

Unless otherwise specified in the applicable pricing supplement, the following procedures will be followed if the CD rate cannot be determined as described above:

If by 3:00 p.m., New York City time, on the calculation date related to the CD interest determination date, this rate is not published in H.15(519), the CD rate will be the rate on the CD interest determination date for negotiable certificates of deposit of the index maturity specified in the applicable pricing supplement and published in the H.15 Daily Update under the heading CDs (secondary market).

If by 3:00 p.m., New York City time, on the calculation date, the rate is not published in either H.15(519) or the H.15 Daily Update, the calculation agent will calculate the CD rate to be the arithmetic mean of the secondary market offered rates as of 3:00 p.m., New York City time, on the CD interest determination date, of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in New York City, selected by the calculation agent, after consultation with us, for negotiable certificates of deposit of major United States money market banks which are rated A-1+ by Standard & Poor's Ratings Group and P-1 by Moody's Investors Service, and with a remaining maturity closest to the index maturity specified in the applicable pricing supplement in denominations of \$5,000,000.

If the dealers selected by the calculation agent are not quoting as described in the previous bullet point, the CD rate in effect immediately before that CD interest determination date will not change and will remain the CD rate in effect on that CD interest determination date.

**Table of Contents**

*Treasury Rate.* Treasury rate notes will bear interest at the interest rates, calculated with reference to the treasury rate and the spread and/or spread multiplier, if any, specified in the treasury rate notes and in the applicable pricing supplement. Treasury rate notes will be subject to the minimum and the maximum interest rates, if any.

Unless the applicable pricing supplement specifies otherwise, treasury rate means, for any treasury interest determination date, the rate for the most recent auction of direct obligations of the United States, commonly referred to as treasury bills, having the index maturity specified in the applicable pricing supplement as this rate is displayed on Moneyline Telerate, Inc., or any successor service under the caption Investment Rate :

on page 56 or 57, or any other page as may replace the applicable page on that service, which is commonly referred to as Telerate Page 56 or Telerate Page 57, as the case may be; or

if not published on Moneyline Telerate, Inc. by 3:00 p.m., New York City time, on the calculation date for the treasury interest determination date, the rate published in the H.15 Daily Update under the heading U.S. Government Securities/ Treasury Bills/ Auction High.